

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

<b>COMMONWEALTH EDISON COMPANY</b>	)	
	)	<b>07-0540</b>
	)	
<b>Approval of the Energy Efficiency and</b>	)	
<b>Demand-Response Plan Pursuant to Section</b>	)	
<b>12-103(f) of the Public Utilities Act</b>	)	

**PRE-HEARING MEMORANDUM  
OF THE CITIZENS UTILITY BOARD**

Pursuant to the Administrative Law Judge’s November 20, 2007 request, the Citizens Utility Board (“CUB”), by its attorneys, hereby files its Pre-hearing Memorandum, summarizing the issues put forward in the testimony of CUB witness Christopher C. Thomas. At this time, CUB intends to cross-examine Commonwealth Edison Company (“ComEd”) witness James C. Eber briefly at the forthcoming evidentiary hearing.

CUB’s Exhibit 1.0, the Direct Testimony of Christopher C. Thomas, detailed two problems with ComEd’s proposed energy efficiency and demand response plan. First, ComEd’s Nature First Expansion Cost Estimates appeared to be inflated because (1) the proposed one-time operation and maintenance promotional cost to acquire new Nature First customers would allow the company to over-recover its costs, and (2) ComEd witness Mr. Eber inappropriately escalates O&M expenses by 2.5% to adjust for inflation, without considering productivity gains. CUB Ex. 1.0 at 2, 4. Second, ComEd’s proposed Rider EDA should include all offsetting revenues that ComEd could receive from PJM’s energy and capacity markets. *Id.* at 2.

In Reply Testimony, ComEd witnesses Paul R. Crumrine and James C. Eber address CUB’s concerns about the Nature First Expansion Cost Estimates. ComEd Ex. 11.0 at 13-14;

ComEd Ex. 10.0 at 2-3. In addition, Mr. Eber testified regarding the nature and size of potential offsetting revenues that should be included in Rider EDA. ComEd Ex. 10.0 at 3-7. At this time, CUB intends to cross-examine Mr. Eber briefly at the upcoming evidentiary hearing to clarify statements regarding these potential offsetting revenues.

WHEREFORE, CUB respectfully submits this Pre-Hearing Memorandum.

Dated: January 2, 2008



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